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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-830]

Carbon and Certain Alloy Steel Wire Rod from Mexico: Preliminary Results and Preliminary Determination of No Shipments; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Department) is conducting an administrative review of the antidumping duty order on carbon and certain alloy steel wire rod (wire rod) from Mexico. The period of review (POR) is October 1, 2015, through September 30, 2016. This review covers two producers/exporters of the subject merchandise: Deacero S.A.P.I. de C.V. (Deacero) and ArcelorMittal Las Truchas, S.A. de C.V. (AMLT). We preliminarily determine that Deacero made sales of subject merchandise at less than normal value (NV) during the POR. We also preliminarily determine that AMLT made no shipments of subject merchandise during the POR. We invite interested parties to comment on these preliminary results.

DATES: Applicable: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Keith Haynes, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5139.

## SUPPLEMENTARY INFORMATION

### Background

On December 16, 2016, the Department initiated an administrative review of the antidumping duty order of wire rod from Mexico for three producer/exporters.<sup>1</sup> On February 27, 2017, based on a timely withdrawal request, the Department rescinded the review for one producer/exporter for which the review was initiated.<sup>2</sup> On June 30, 2017, the Department extended the time limit for the preliminary results by 60 days<sup>3</sup> and on August 9, 2017, the Department extended the time limit for the preliminary results by an additional 60 days, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), to October 31, 2017.<sup>4</sup> For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>5</sup> A list of topics included in the Preliminary Decision Memorandum is included as an Appendix to this notice.

### Scope of the Order<sup>6</sup>

The product covered by the order is wire rod, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.<sup>7</sup> The

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<sup>1</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 91122 (December 16, 2016) (*Initiation Notice*).

<sup>2</sup> *See* letter from the petitioners, “Carbon and Certain Alloy Steel Wire Rod from Mexico: Withdrawal of Request for Administrative Review,” dated February 3, 2017 (Petitioners’ Withdrawal Request); *see also Carbon and Certain Alloy Steel Wire Rod from Mexico: Notice of Partial Rescission of the Antidumping Duty Administrative Review; 2015–2016*, 82 FR 11904 (February 27, 2017).

<sup>3</sup> *See* Memorandum, “Extension of Deadline for Preliminary Results of the 2015-2016 Antidumping Duty Administrative Review,” dated June 30, 2017.

<sup>4</sup> *See* Memorandum, “Extension of Deadline for Preliminary Results of the 2015-2016 Antidumping Duty Administrative Review,” dated August 9, 2017.

<sup>5</sup> *See* Memorandum, “Decision Memorandum for Preliminary Results of 2015-2016 Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Mexico” (Preliminary Decision Memorandum), dated concurrently with, and hereby adopted by, this notice.

<sup>6</sup> For the full text of the scope of the order, *see* the Preliminary Decision Memorandum.

<sup>7</sup> The Department determined that Deacero’s shipments to the United States of narrow gauge wire rod (4.75 mm to 5.00 mm) constitute merchandise altered in form or appearance in such minor respects that it is subject merchandise. *See Carbon and Certain Alloy Steel Wire Rod From Mexico: Affirmative Final Determination of Circumvention of the Antidumping Order*, 77 FR 59892 (October 1, 2012) and accompanying Issues and Decision Memorandum. This determination was upheld by the Federal Circuit; *see Deacero S.A. de C.V. v. United States*, No. 15-1362

subject merchandise is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 7213.91.3000, 7213.91.3010, 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3090, 7213.91.3091, 7213.91.3092, 7213.91.3093, 7213.91.4500, 7213.91.4510, 7213.91.4590, 7213.91.6000, 7213.91.6010, 7213.91.6090, 7213.99.0030, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0000, 7227.20.0010, 7227.20.0020, 7227.20.0030, 7227.20.0080, 7227.20.0090, 7227.20.0095, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035, 7227.90.6050, 7227.90.6051, 7227.90.6053, 7227.90.6058, 7227.90.6059, 7227.90.6080, and 7227.90.6085. The HTSUS subheadings are provided for convenience and customs purposes only; the written product description remains dispositive.

#### Preliminary Determination of No Shipments

On January 3, 2017, we received a timely-filed submission from AMLT reporting to the Department that it made no exports, sales, or entries of subject merchandise to the United States during the POR.<sup>8</sup> To confirm AMLT's no shipment claim, the Department issued a no-shipment inquiry to U.S. Customs and Border Protection (CBP) requesting that it review AMLT's no-shipment claim.<sup>9</sup> CBP did not report that it had any information to contradict AMLT's claim of no shipments during the POR. Based on record evidence, we preliminarily determine that AMLT had made no shipments during the POR. Consistent with the Department's practice, we will not rescind the review with respect to AMLT but, rather, will complete the review and issue

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(Federal Circuit) (April 5, 2016) at 12. Because there were no changes to the facts which supported that decision since that determination, we continue to find Deacero's narrow gauge wire rod (4.75 mm to 5.00 mm) subject merchandise.

<sup>8</sup> See letter from AMLT, "Antidumping Duty Administrative Review of Carbon and Certain Alloy Steel Wire Rod from Mexico: AMLT No-Shipment Certification," dated January 3, 2017 (AMLT No-Shipment Certification).

<sup>9</sup> No Shipments Inquiry for Carbon and Certain Alloy Steel Wire Rod from Mexico Produced and/or Exported by AMLT (A-201-830), message number 7009302 (January 9, 2017).

instructions to CBP based on the final results.<sup>10</sup> For additional information on our preliminary determination of no reviewable entries, *see* the Preliminary Decision Memorandum.

#### Methodology

The Department is conducting this review in accordance with section 751(a)(1) and (2) of the Act. Export and constructed export price were calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

#### Preliminary Results of the Review

The Department preliminarily determines the following weighted-average dumping margin exists for the POR:

<b>Exporter/Producer</b>	<b>Weighted-Average Dumping Margins (Percent)</b>
Deacero S.A.P.I de C.V.	6.22

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<sup>10</sup> *See, e.g., Certain Frozen Warmwater Shrimp from Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012–2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp from Thailand; Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012–2013*, 79 FR 51306, 51306-07 (August 28, 2014).

### Assessment Rates

Upon issuance of the final results, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. If the weighted-average dumping margin for Deacero is not zero or *de minimis* (i.e., less than 0.5 percent), we will calculate importer-specific *ad valorem* antidumping duty assessment rates based on the ratio of the total amount of dumping calculated for the importers examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1).<sup>11</sup> We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., 0.5 percent). Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review where applicable.

In accordance with the Department's "automatic assessment" practice, for entries of subject merchandise during the POR produced by each respondent for which they did not know that their merchandise was destined for the United States, we will instruct CBP to liquidate entries not reviewed at the all-others rate of 20.11 percent<sup>12</sup> if there is no rate for the intermediate company(ies) involved in the transaction. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

### Cash Deposit Requirements

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<sup>11</sup> In this preliminary results, the Department applied the assessment rate calculation method adopted in Antidumping Proceedings: *Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

<sup>12</sup> See Notice of Antidumping Duty Orders: *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945 (October 29, 2002).

The following deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of wire rod from Mexico entered, or withdrawn from warehouse, for consumption on or after the date of publication provided by section 751(a)(2) of the Act: (1) The cash deposit rate for Deacero will be equal to the dumping margins established in the final results of this review except if the ultimate rates are *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rates will be zero; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the producer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of the proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 20.11 percent, the all-others rate established in the antidumping investigation.<sup>13</sup> These deposit requirements, when imposed, shall remain in effect until further notice.

#### Disclosure and Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>14</sup> Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case

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<sup>13</sup> *Id.*

<sup>14</sup> *See* 19 CFR 351.224(b).

briefs.<sup>15</sup> Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with the argument: (1) a statement of the issue, (2) a summary of the argument, and (3) a table of authorities.<sup>16</sup> All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of publication of this notice.<sup>17</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined.<sup>18</sup> Parties should confirm by telephone the date, time, and location of the hearing.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), the Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their case briefs, within 120 days after issuance of these preliminary results.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply

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<sup>15</sup> See 19 CFR 351.309(d).

<sup>16</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>17</sup> See 19 CFR 351.310(c).

<sup>18</sup> See 19 CFR 351.310.

with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This preliminary results of review is are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

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Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

October 31, 2017

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Date



## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum:**

- I. Summary
  - II. Background
  - III. Preliminary Determination of No Shipments
  - IV. Scope of the Order
  - V. Discussion of the Methodology
    - A. Universe of Sales
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- [FR Doc. 2017-24186 Filed: 11/7/2017 8:45 am; Publication Date: 11/8/2017]